

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 204 (MC2016-114)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-145

**NOTICE OF UNITED STATES POSTAL SERVICE OF  
AMENDMENT TO PRIORITY MAIL CONTRACT 204,  
WITH PORTIONS FILED UNDER SEAL**  
(May 18, 2017)

The Postal Service hereby provides notice that prices under Priority Mail Contract 204, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 204 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

John F. Rosato  
Acting Chief Counsel  
Pricing and Product Support

Elizabeth A. Reed

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-3179, Fax -6187  
[elizabeth.a.reed@usps.gov](mailto:elizabeth.a.reed@usps.gov)  
May 18, 2017

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 204**

**AMENDMENT #1**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
[REDACTED]  
**REGARDING**  
**PRIORITY MAIL**

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED] ("Customer") entered into a shipping services contract regarding Priority Mail on March 24, 2016.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.C, I.E, I.F with Contract Package price table, and to add Section I.H of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

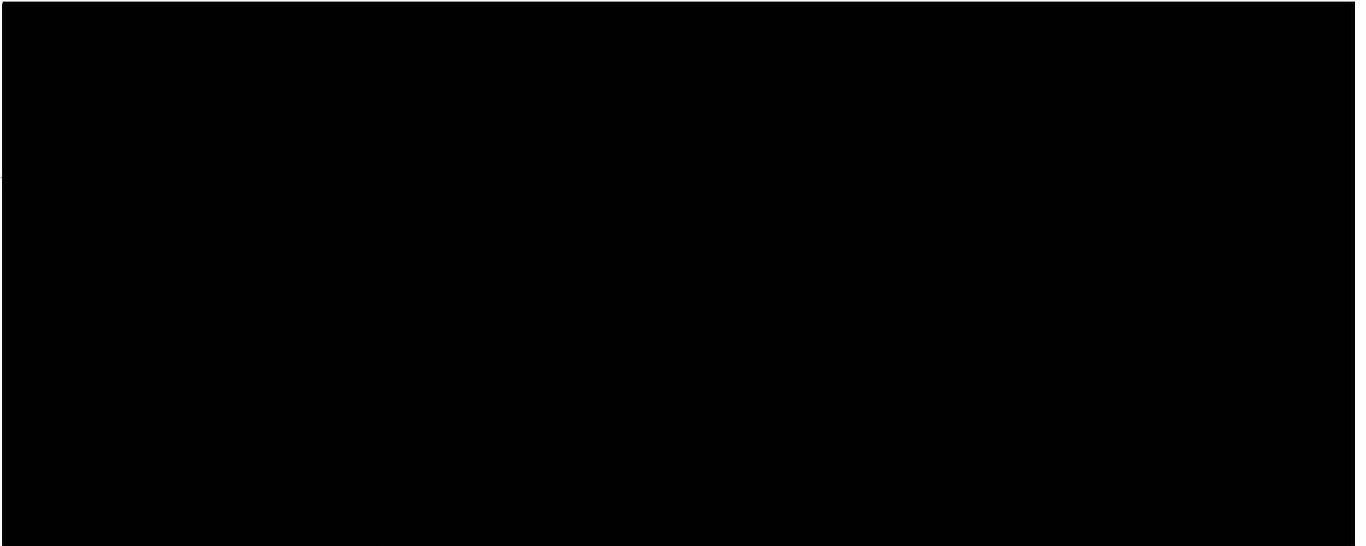
[Replace Sections I.B, I.C, I.E, and I.F, and add new Section I.H, as follows:]

**I. Terms**

- B. This contract applies to Customer's inbound and outbound Priority Mail packages [REDACTED] and Customer's inbound and outbound Priority Mail packages [REDACTED]
- C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage account to ship such packages, and will use the Electronic Verification System (eVS), other USPS approved manifest systems, or USPS approved PC Postage vendors for payment of such packages. Customer shall provide the Postal Service, in writing, a list of its permit numbers and/or PC Postage accounts for approval. Contract pricing for any newly approved permits and/or PC Postage accounts will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Contract Packages and Customer's other Priority Mail packages shipped from authorized permits and/or PC Postage accounts shall count toward the volume commitment in Section I.E below.
- E. Volume Commitment. Customer should ship at least [REDACTED] Contract Packages, plus all other Priority Mail packages annually. If the volume falls below the annual

commitment for any Contract Year, the Postal Service, at its sole discretion, has the right to revert Customer to the most current Priority Mail Commercial Plus Prices.

- F. Contract Package pricing. The following prices apply to Customer's Contract Packages from the effective date of this Amendment until the second anniversary of the Contract's effective date.



- H. Quarterly Business Reviews. The Parties shall, within fifteen (15) calendar days after the conclusion of each full Contract Quarter in each Contract Year, jointly conduct a business review of Customer's performance expectations under this contract either in person, by telecom or by webinar. If either Party is unable to conduct a business review within fifteen (15) calendar days after the conclusion of the Contract Quarters, it shall notify the other Party in writing (i.e. email or mail) of that fact and propose a date as soon as practicable thereafter.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

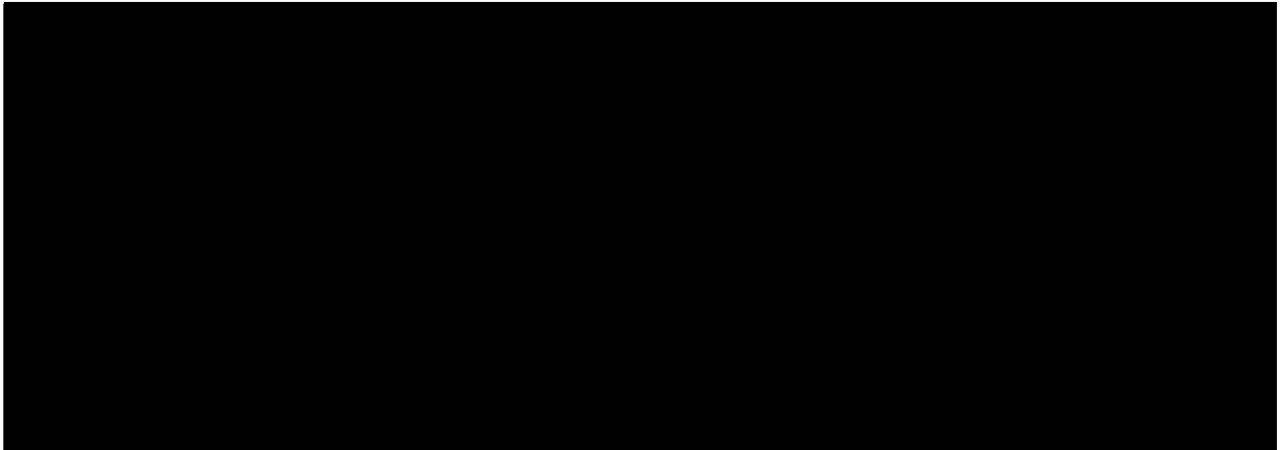
Signed by: \_\_\_\_\_

Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date: \_\_\_\_\_

5/10/17



**ATTACHMENT B**  
**SIGNED CERTIFICATION**

## **Certification of Prices for Amendment to Priority Mail Contract 204**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 204. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven Phelps**

Digitally signed by Steven Phelps  
DN: cn=Steven Phelps, o, ou,  
email=steven.r.phelps@usps.gov, c=US  
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Steven R. Phelps